

# Warner Bros. Discovery, Inc Q1FY24 Report Overview

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## Goals and Objectives of the Research

Research Objective: To perform a comparative analysis of the Q1FY24 quarterly report and those of previous periods.

Research Tasks:

- Gather comprehensive financial and corporate information pertaining to the company for Q1FY24;
- Analyze the collected information;
- Conduct a comparative assessment of the report for the Q1FY24 with reports for previous quarters up to the Q1FY23;
- Formulate conclusions based on the analyzed data.

## Disclaimers

The information collected in this report reflects data from the company's public reports and is not questioned or verified via other sources. In other words, information from the company's public reports is taken and used as is.

If additional information from other sources is used or if the data used is reflective of the researcher's personal opinion, this will be labeled accordingly.

The provided public company quarterly reports are unaudited.

## Document Markup

- FY - Financial Year;
- Q - Quarter;
- WBD - Warner Bros. Discovery, Inc.;
- Discovery - Discovery, Inc.;
- WM - WarnerMedia business;
- QoQ - Quarter-over-Quarter;
- This report uses the American number format: a period is used as the decimal separator, while commas separate thousands;
- Year-over-year (YoY) calculations of relative values were not performed in cases where last year's profit changed to a loss in the current year and vice versa within the scope of the current report;
- Warner Bros. Discovery, Inc Q1FY24 Report Period is from January 1 to March 31, 2024.

# Conclusions

## General Information

Parameter	Warner Bros. Discovery, Inc
Website	<a href="http://wbd.com">wbd.com</a>
Country (location)	<a href="#">USA</a>
Country (issuer)	<a href="#">USA</a>
Year of foundation	<a href="#">2022</a> *
CEO	<a href="#">David Zaslav</a>
Sector	<a href="#">Telecommunications</a>
Type	Public
Year of IPO	<a href="#">2022</a>
Stock market	<a href="#">NASDAQ</a>
Ticker	<a href="#">WBD</a>
Previous Annual Report from Data40	<a href="#">Warner Bros. Discovery, Inc Full Fiscal Year 2023 Report Overview</a>
Previous Quarterly Report from Data40	-

\*Note: On April 8, 2022, Discovery completed its merger with WM, a subsidiary of AT&T Inc and changed its name to Warner Bros. Discovery, Inc.<sup>1</sup>

## About Company<sup>2</sup>

WBD is a media and entertainment company that provides audiences with content, brands and franchises across television, film, streaming, and gaming. WBD brands and products include Discovery Channel, Max, discovery+, CNN, DC, Eurosport, HBO, HGTV, Food Network, OWN, Investigation Discovery, TLC, Magnolia Network, TNT, TBS, truTV, Travel Channel, MotorTrend, Animal Planet, Science Channel, Warner Bros. Motion Picture Group, Warner Bros. Television Group, Warner Bros. Pictures Animation, Warner Bros. Games, New Line Cinema, Cartoon Network, Adult Swim, Turner Classic Movies, Discovery en Español, Hogar de HGTV.

<sup>1</sup> [WBD Consolidated Annual Report 2023. p.5](#)

<sup>2</sup> [WBD Web](#)

## Conference Call Information

**May 9, 2024** Warner Bros. Discovery, Inc hosted Q1FY24 [Earnings Call](#) at **08:30 a.m. ET** to discuss the company's Q1FY24 results. The press release is accessible via the [link](#).<sup>3</sup>

The company has set the date and time for the announcement of its Q2FY24 results for **August 7, 2024, at 4:30 PM ET**. The conference call will be available via the [link](#).<sup>4</sup>

## Public Quarterly Reports Calendar FY24-25<sup>5 6</sup>

Quarter	Period	Date
FY24		
Q1	Jan 1, 2024 to Mar 31, 2024	May 9, 2024
Q2	Apr 1, 2024 to Jun 30, 2024	Aug 7, 2024
Q3	Jul 1, 2024 to Sep 30, 2024	Nov 7, 2024 (Projected)
Q4 and FY24	Oct 1, 2024 to Dec 31, 2024	Feb 20, 2025 (Projected)
FY25		
Q1	Jan 1, 2025 to Mar 31, 2025	Apr 28, 2025 (Projected)
Q2	Apr 1, 2025 to Jun 30, 2025	Jul 30, 2025 (Projected)
Q3	Jul 1, 2025 to Sep 30, 2025	TBA
Q4 and FY25	Oct 1, 2025 to Dec 31, 2025	TBA

Follow the announcements of the release of new reports on the website [Data40.com](#) in the [Calendars by section DATA40.com](#).

<sup>3</sup> [WBD Web, WARNER BROS. DISCOVERY REPORTS FIRST-QUARTER 2024 RESULTS](#)

<sup>4</sup> [WBD Web, Events & Presentations](#)

<sup>5</sup> [WBD Web, Events & Presentations](#)

<sup>6</sup> [Marketscreener, WBD Calendar](#)

## Highlights and Metrics

### Q1FY24 Highlights<sup>7 8 9 10</sup>

- **Total Net Revenue** of 9,958 million USD, a decrease of 3.17% compared to 10,284 million USD in Q4FY23 and a decrease of 6.93% compared to 10,700 million USD in Q1FY23;
- **Net loss available to Warner Bros. Discovery, Inc.** of (966) million USD, an increase of 141.50% compared to (400) million USD in Q4FY23 and a decrease of 9.64%, compared to (1,069) million USD in Q1FY23;
- **Operating loss** of (267) million USD, an increase of 46.70% compared to (182) million USD in Q4FY23 and a decrease of 52.06%, compared to (557) million USD in Q1FY23;
- **EPS Basic and Diluted** of (0.40) USD and (0.40) USD respectively;
- **Global Direct-to-Consumer subscribers** were 99.60 million, an increase of 2.00 million subscribers versus Q4FY23;
- WBD repaid 1,100 billion of debt in Q1FY24. Ended the quarter with 3,400 million of cash on hand, 43,200 million of gross debt, and 4.1x net leverage.

### Acquisitions and Divestitures

In Q1FY24, the company did not make any acquisitions or divestitures.

### Business Overview<sup>11</sup>

- “Successfully launched Max and migrated subscribers to the new platform across Latin America;
- Success of Hogwarts Legacy in the prior year quarter while Suicide Squad: Kill the Justice League generated significantly lower revenues in the current year quarter;
- ID's breakout series, Quiet on Set: The Dark Side of Kids TV is the 3rd best series launch-to-date across both Max and HBO Max, behind only The Last of Us and House of the Dragon;
- Dune: Part Two and Godzilla x Kong: The New Empire have grossed over \$1.2 billion in global box office. Dune: Part Two is the highest grossing movie of 2024 to date with over \$700 million in global box office.”

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<sup>7</sup> [WBD Q1FY24 Press Release, p.1](#)

<sup>8</sup> [WBD Consolidated Q1FY24 Report, p.4](#)

<sup>9</sup> [WBD Consolidated Annual Report 2023, p.59](#)

<sup>10</sup> [WBD Consolidated Q3FY23 Report, p.4](#)

<sup>11</sup> In this chapter, quotes are used from the [WBD Q1FY24 Press Release, p.1](#)

Announced Titles <sup>12</sup>	
Title	Launch date
<a href="#">MultiVersus</a>	May 28, 2024
<a href="#">Batman: Arkham Shadow</a>	Q4, 2024
<a href="#">Harry Potter: Quidditch Champions</a>	Q4, 2024
Wonder Woman	TBA

## Business Outlook<sup>13</sup>

“We are pleased with our progress in the first quarter as evidenced by strong results in important KPIs. We delivered meaningful growth in our streaming business with a nice acceleration in ad sales, generating nearly \$90 million in positive EBITDA for the quarter. We will soon be rolling out Max to 29 countries across Europe, and the content lineup for Max over the coming year is one of our strongest ever. Warner Bros. Pictures also had a strong start to the year as the first studio to reach \$1 billion in both overseas and global box office, and they have a great slate in the works. Importantly, we once again delivered strong free cash flow, even in our seasonally weakest FCF quarter. We continue to make bold moves to transform our company for the future as we position ourselves to take full advantage of the opportunities ahead.”

“We continue to closely monitor the ongoing impact of industry trends to our business; however, the full effects on our operations and results will depend on future developments, which are highly uncertain and cannot be predicted.”

“We plan to continue to invest significantly in the creation and acquisition of new content, as well as certain sports rights”

<sup>12</sup> [Wikipedia, List of Warner Bros. Games video games](#)

<sup>13</sup> In this chapter, quotes are used from the [WBD Q1FY24 Press Release, p.1](#), [WBD Consolidated Q1FY24 Report, p.27](#) and [WBD Consolidated Q1FY24 Report, p.36](#)

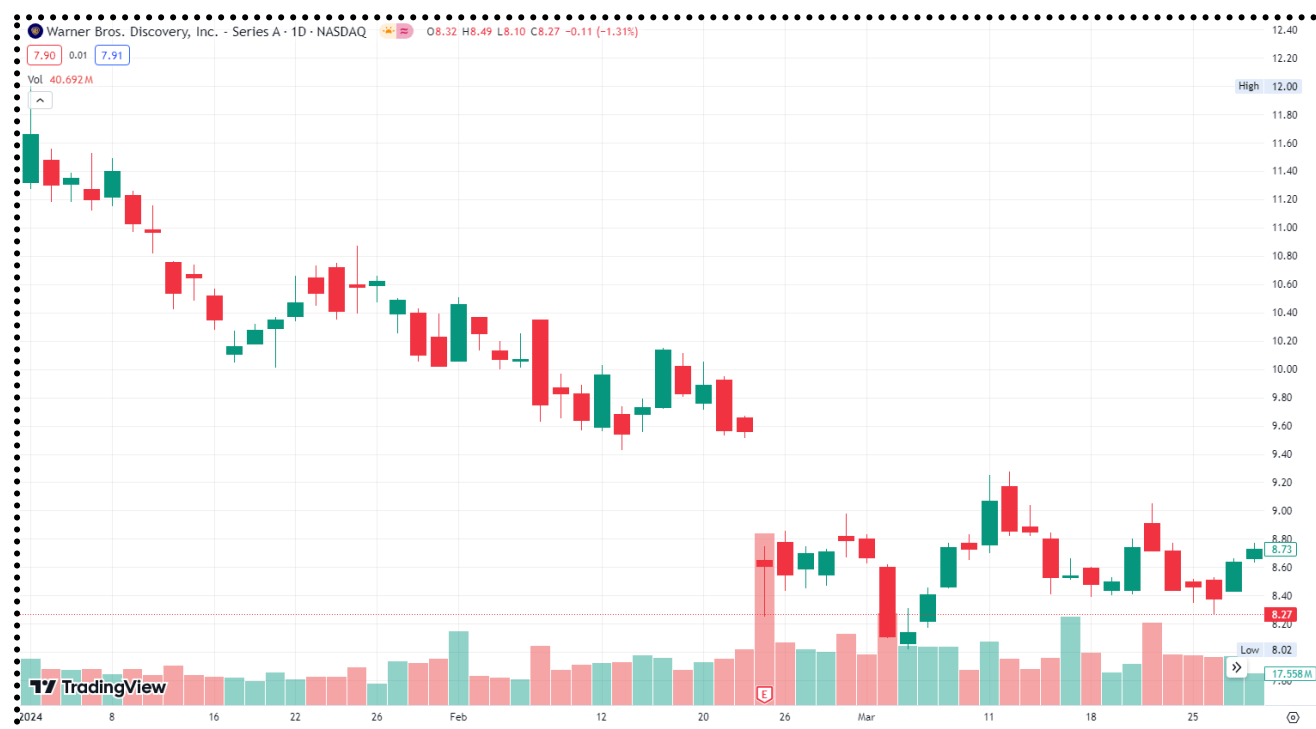
## Stock Information

### About Shares

Total Shares Outstanding (Series A Common Stock) ≈ 2,449,000,000 (as of March 31, 2024).<sup>14</sup>

Total Shares Outstanding (Series A Common Stock) - 2,450,313,398 (as of April 25, 2024).<sup>15</sup>

### TradingView Retrospective Q1FY24<sup>16</sup>



Date	Open Price, USD	Highest Price, USD	Lowest Price, USD	Close Price, USD
Jan 2, 2024	11.32	12.00	11.27	11.66
Mar 28, 2024	8.66	8.77	8.63	8.73

Q1FY24 Price MAX: 12.00 USD (January 2, 2024).

Q1FY24 Price MIN: 8.02 USD (March 5, 2024).

<sup>14</sup> [WBD Consolidated Q1FY24 Report, p.6](#)

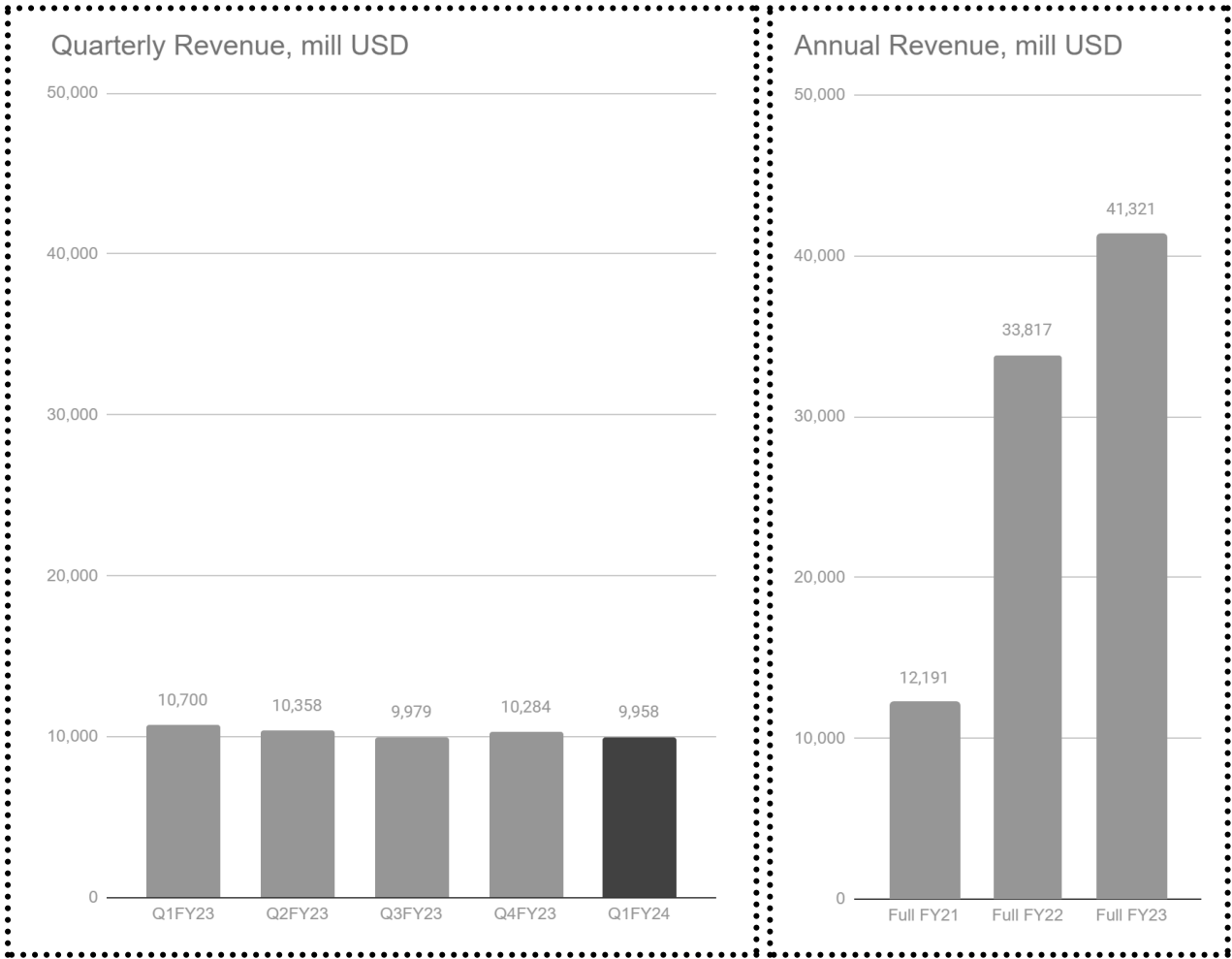
<sup>15</sup> [WBD Consolidated Q1FY24 Report, p.2](#)

<sup>16</sup> [TradingView, WBD Chart](#)

# Financial Statements

## Revenue Retrospective

### Warner Bros. Discovery, Inc Revenue Retrospective<sup>17 18 19 20</sup>



<sup>17</sup> [WBD Consolidated Q1FY24 Report, p.4](#)

<sup>18</sup> [WBD Consolidated Q3FY23 Report, p.4](#)

<sup>19</sup> [WBD Consolidated Q2FY23 Report, p.4](#)

<sup>20</sup> [WBD Consolidated Annual Report 2023, p.59](#)



## Sales per Business

### Net Revenue Structure<sup>21 22 23 24</sup>

(In million, except Percentages)

Parameter	Q1FY24, USD	QoQ, %	Q4FY23, USD	QoQ, %	Q3FY23, USD	QoQ, %	Q2FY23, USD	QoQ, %	Q1FY23, USD	YoY, %
Distribution	4,985	1.47	4,913	-2.25	5,026	-2.12	5,135	-0.54	5,163	-3.45
Advertising	2,148	2.92	2,087	16.20	1,796	-28.70	2,519	9.62	2,298	-6.53
Content	2,558	-13.67	2,963	4.33	2,840	16.11	2,446	-17.20	2,954	-13.41
Other	267	-16.82	321	1.26	317	22.87	258	-9.47	285	-6.32
<b>Total Consolidated Revenue</b>	<b>9,958</b>	<b>-3.17</b>	<b>10,284</b>	<b>3.06</b>	<b>9,979</b>	<b>-3.66</b>	<b>10,358</b>	<b>-3.20</b>	<b>10,700</b>	<b>-6.93</b>

<sup>21</sup> [WBD Consolidated Q1FY24 Report, p.4](#)

<sup>22</sup> [WBD Consolidated Annual Report 2023, p.59](#)

<sup>23</sup> [WBD Consolidated Q3FY23 Report, p.4](#)

<sup>24</sup> [WBD Consolidated Q2FY23 Report, p.4](#)

## Net Revenue Structure Percentages

Parameter	Q1FY24, %	Q4FY23, %	Q3FY23, %	Q2FY23, %	Q1FY23, %
Distribution	50.06	47.77	50.37	49.58	48.25
Advertising	21.57	20.29	18.00	24.32	21.48
Content	25.69	28.81	28.46	23.61	27.61
Other	2.68	3.12	3.18	2.49	2.66

## Sales per Segment

Sales by Segment<sup>25 26 27 28</sup>

(In million, except Percentages)

Parameter	Q1FY24, USD	QoQ, %	Q4FY23, USD	QoQ, %	Q3FY23, USD	QoQ, %	Q2FY23, USD	QoQ, %	Q1FY23, USD	YoY, %
Studios	2,821	-11.09	3,173	-1.64	3,226	24.99	2,581	-19.65	3,212	-12.17
Networks	5,125	1.75	5,037	3.47	4,868	-15.46	5,758	3.17	5,581	-8.17
DTC	2,460	-2.73	2,529	3.73	2,438	-10.76	2,732	11.28	2,455	0.20
Corporate	1	-66.67	3	-	(2)	100.00	(1)	-	-	-
Inter-segment eliminations	(449)	-1.97	(458)	-16.88	(551)	-22.61	(712)	29.93	(548)	-18.07
<b>Total Consolidated Revenue</b>	<b>9,958</b>	<b>-3.17</b>	<b>10,284</b>	<b>3.06</b>	<b>9,979</b>	<b>-3.66</b>	<b>10,358</b>	<b>-3.20</b>	<b>10,700</b>	<b>-6.93</b>

<sup>25</sup> [WBD Consolidated Q1FY24 Report, p.25](#)

<sup>26</sup> [WBD Consolidated Annual Report 2023, p.113](#)

<sup>27</sup> [WBD Consolidated Q3FY23 Report, p.32](#)

<sup>28</sup> [WBD Consolidated Q2FY23 Report, p.31](#)

### Sales by Segment Percentages

Parameter	Q1FY24, %	Q4FY23, %	Q3FY23, %	Q2FY23, %	Q1FY23, %
Studios	28.33	30.85	32.33	24.92	30.02
Networks	51.47	48.98	48.78	55.59	52.16
DTC	24.70	24.59	24.43	26.38	22.94
Corporate	0.01	0.03	-0.02	-0.01	-
Inter-segment eliminations	-4.51	-4.45	-5.52	-6.87	-5.12

### Dividend Information<sup>29</sup>

The company does not pay dividends.

<sup>29</sup> [WBD Consolidated Annual Report 2023, p.31](#)

## Balance Sheet<sup>30 31 32 33</sup>

(In million, except Percentages)

Parameter	at Mar 31, 2024, USD	QoQ, %	at Dec 31, 2023, USD	QoQ, %	at Sep 30, 2023, USD	QoQ, %	at Jun 30, 2023, USD	QoQ, %	at Mar 31, 2023, USD	YoY, %
Assets										
Total Current Assets	13,902	-2.22	14,218	10.81	12,831	-6.84	13,773	0.34	13,727	1.27
Total Non-Current Assets	105,917	-2.42	108,539	-2.14	110,918	-3.42	114,845	-1.72	116,857	-9.36
Total Assets	119,819	-2.39	122,757	-0.80	123,749	-3.79	128,618	-1.51	130,584	-8.24
Liabilities										
Total Current Liabilities	16,956	10.59	15,332	5.10	14,588	-13.71	16,906	3.21	16,380	3.52
Total Non-Current Liabilities	57,748	-5.51	61,118	-3.45	63,300	-2.96	65,233	-2.16	66,671	-13.38
Total Liabilities	74,704	-2.28	76,450	-1.85	77,888	-5.18	82,139	-1.10	83,051	-10.05
<b>Total Equity</b>	<b>45,115</b>	<b>-2.57</b>	<b>46,307</b>	<b>0.97</b>	<b>45,861</b>	<b>-1.33</b>	<b>46,479</b>	<b>-2.22</b>	<b>47,533</b>	<b>-5.09</b>

<sup>30</sup> [WBD Consolidated Q1FY24 Report, p.6](#)

<sup>31</sup> [WBD Consolidated Q3FY23 Report, p.6](#)

<sup>32</sup> [WBD Consolidated Q2FY23 Report, p.6](#)

<sup>33</sup> [WBD Consolidated Q1FY23 Report, p.6](#)

## Income Statement<sup>34 35 36 37</sup>

(In million, except EPS data and Percentages)

Parameter	Q1FY24, USD	QoQ, %	Q4FY23, USD	QoQ, %	Q3FY23, USD	QoQ, %	Q2FY23, USD	QoQ, %	Q1FY23, USD	YoY, %
Revenue	9,958	-3.17	10,284	3.06	9,979	-3.66	10,358	-3.20	10,700	-6.93
Operating (loss) Income	(267)	46.70	(182)	-	97	-	(906)	62.66	(557)	-52.06
Net loss available to Warner Bros. Discovery, Inc.	(966)	141.50	(400)	-4.08	(417)	-66.37	(1,240)	16.00	(1,069)	-9.64
Total costs and expenses	10,225	-2.30	10,466	5.91	9,882	-12.27	11,264	0.06	11,257	-9.17
EPS Basic	(0.40) USD	150.00	(0.16) USD	-5.88	(0.17) USD	-66.67	(0.51) USD	15.91	(0.44) USD	-9.09
EPS Diluted	(0.40) USD	150.00	(0.16) USD	-5.88	(0.17) USD	-66.67	(0.51) USD	15.91	(0.44) USD	-9.09

<sup>34</sup> [WBD Consolidated Q1FY24 Report, p.4](#)

<sup>35</sup> [WBD Consolidated Q2FY23 Report, p.4](#)

<sup>36</sup> [WBD Consolidated Q3FY23 Report, p.4](#)

<sup>37</sup> [WBD Consolidated Annual Report 2023, p.59](#)

## Cashflow Statement<sup>†38 39 40 41</sup>

(In million, except Percentages)

Parameter	Q1FY24, USD	QoQ, %	Q4FY23, USD	QoQ, %	Q3FY23, USD	QoQ, %	Q2FY23, USD	QoQ, %	Q1FY23, USD	YoY, %
Cash flows from operating activities	585	-83.65	3,578	42.21	2,516	24.93	2,014	-	(631)	-
Cash flows from investing activities	(207)	-11.54	(234)	-48.91	(458)	47.74	(310)	20.62	(257)	-19.46
Cash flows from financing activities	(1,237)	-19.10	(1,529)	-41.75	(2,625)	109.83	(1,251)	189.58	(432)	186.34

<sup>38</sup> [WBD Consolidated Q1FY24 Report, p.7](#)

<sup>39</sup> [WBD Consolidated Q3FY23 Report, p.7](#)

<sup>40</sup> [WBD Consolidated Q2FY23 Report, p.7](#)

<sup>41</sup> [WBD Consolidated Annual Report 2023, p.62](#)

## News<sup>42</sup>

January 8, 2024 - [Warner Bros. Discovery Networks Premiered 20 of the 25 Highest-Rated Freshman Series in 2023—The Most of Any Cable Portfolio](#)

January 9, 2024 - [Warner Bros. Motion Picture Group And Tom Cruise To Jointly Develop And Produce Original And Franchise Theatrical Films Starring Cruise Beginning In 2024 Under Newly Formed Strategic Partnership](#)

January 18, 2024 - [Warner Bros. Discovery Announces May 15 Upfront Presentation at The Theater at Madison Square Garden](#)

January 23, 2024 - [Students SAY YES TO THE PROM as the Ultimate Prom Shopping Experience Shines in its 12th Year](#)

January 31, 2024 - [Warner Bros. Discovery To Report Fourth-Quarter And Full-Year 2023 Results On Friday, February 23](#)

February 6, 2024 - [ESPN, FOX and Warner Bros. Discovery Forming Joint Venture to Launch Streaming Sports Service in the U.S.](#)

February 15, 2024 - [Warner Bros. Discovery and Acme Innovation Announce Official Cohort for Accelerator Program](#)

February 23, 2024 - [Warner Bros. Discovery Reports Fourth-Quarter And Full-Year 2023 Results](#)

February 26, 2024 - [Warner Bros. Discovery CEO And President, Global Streaming And Games JB Perrette To Present At The Morgan Stanley 2024 Technology, Media & Telecom Conference](#)

March 27, 2024 - [Top Original Series on Discovery, HGTV, Food Network, Investigation Discovery and TLC Helped Drive Warner Bros. Discovery To Deliver a 40 Percent Share of Adult Viewing on Sunday, March 17](#)

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<sup>42</sup> [WBD Web, NewsRoom](#)



# Analyst's Opinion

## Summary

Warner Bros. Discovery, Inc is a media and entertainment company, founded in 2022 as a result of a merger of Discovery and WM. The company provides audiences with content, brands and franchises across television, film, streaming, and gaming. WBD divides its activities into 3 segments: Studios, Networks, DTC.

Total Shares Outstanding  $\approx$  2,449,000,000 as of March 31, 2024. The range in which the company's shares were traded on NASDAQ for Q1FY24 was from 8.02 USD to 12.00 USD. The open price on January 2, 2024, was 11.32 USD. The closing price on March 28, 2024, was 8.73 USD. The company does not pay dividends.

"Dune: Part Two and Godzilla x Kong: The New Empire have grossed 1,200 million in global box office. Dune: Part Two is the highest grossing movie of 2024 to date with 700 million USD in global box office."<sup>43</sup>

In Q1FY24 Net Revenue was 9,958 million USD versus 10,700 million USD in Q1FY23, a decrease of 6.93% and a decrease of 3.17% compared to 10,284 million USD in Q4FY23.

Net Revenue Structure by Segments in Q1FY24: 51.47% from Networks segment at 5,125 million USD, 28.33% from Studios segment at 2,821 million USD, 24.70% from DTC segment at 2,460 million USD, 0.01% from Corporate at 1 million USD, and -4.51% from Inter-segment eliminations at (449) million USD.

Total Equity as of March 31, 2024, amounted to 45,115 million USD, which is 2.57% lower than the Total Equity as of December 31, 2023, which stood at 46,307 million USD, and 5.09% lower than the Total Equity as of March 31, 2023, which was 47,533 million USD.

Announced Games:

- Multiversus - March 28, 2024;
- Batman: Arkham Shadow - Q4, 2024;
- Harry Potter: Quidditch Champions - Q4, 2024;
- Wonder Woman - TBA.

In Q1FY24, the company did not make any acquisitions or divestitures.

Follow the announcements of the release of new reports on the website [Data40.com](https://Data40.com) in the [Calendars by section DATA40.com](#).

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<sup>43</sup> In this chapter, quotes are used from the [WBD Q1FY24 Press Release, p.1](#)

## Sources List

- [Warner Bros. Discovery, Inc Web](#)
- [Wikipedia](#)
- [MarketScreener](#)
- [TradingView](#)
- [WBD Q1FY24 Press Release](#)
- [WBD Consolidated Annual Report 2023](#)
- [WBD Consolidated Q1FY24 Report](#)
- [WBD Consolidated Q3FY23 Report](#)
- [WBD Consolidated Q2FY23 Report](#)
- [WBD Consolidated Q1FY23 Report](#)
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META



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